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8 Honorable Christopher M. Alston  
9 Chapter 11

10 UNITED STATES BANKRUPTCY COURT  
11 WESTERN DISTRICT OF WASHINGTON  
12 AT SEATTLE

13 In re:

14 NORTHWEST TERRITORIAL MINT, LLC,  
15 Debtor.

Case No. 16-11767-CMA

16 DECLARATION OF MARK CALVERT IN  
17 SUPPORT OF MOTION FOR ORDER  
18 GRANTING AUTHORITY TO INCUR  
19 CREDIT; APPROVING BID PROCEDURES;  
20 AND APPROVING BREAKUP FEE

I, Mark Calvert, declare as follows:

1. I am the chapter 11 Trustee of Northwest Territorial Mint, LLC (“NWTM” or  
2 “Debtor”) pursuant to the Court’s order of appointment dated April 11, 2016. I am over eighteen  
3 (18) years of age and I am competent in all ways to testify. Unless otherwise stated, I make the  
4 following statements based on my personal knowledge. I submit this Declaration in support of my  
5 Motion for Order Granting Authority to Incur Credit; Approving Bid Procedures; and Approving  
6 Breakup Fee (the “Motion”).

7. Since May, 2017, I have explored the option of selling the entire business as a going  
8 concern. I initiated a marketing process for the sale of the business. I entertained expressions of  
9 interest from multiple parties, including offers to purchase the assets of the estate. None of the offers  
10 I received were sufficiently concrete or for sufficient value that they could be proposed to the Court  
11 for approval as none of the offers provided any meaningful return to creditors.

12 DECLARATION OF MARK CALVERT IN SUPPORT OF  
13 MOTION FOR ORDER GRANTING AUTHORITY TO  
14 INCUR CREDIT, APPROVING BID PROCEDURES, AND  
15 APPROVING BREAKUP FEE- 1  
16 501014871 v4

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1       3.     Because no concrete offer materialized, and because of the inadequate cash resources  
2 available to me, I was forced to close the custom minting business on December 29, 2017. I have  
3 continued to complete certain profitable work in progress after closing the custom minting  
4 operations with a skeleton crew that remains employed in connection with the wind down and  
5 liquidation efforts of the estate. I have continued to communicate with potential buyers of the  
6 Debtor's assets in an attempt to sell them on a liquidation basis, but as of the middle of January,  
7 2018, I had no concrete sales agreements in place. Accordingly, I moved for approval by the Court  
8 for the authority to sell the Debtor's assets at an auction conducted by James G. Murphy Company.  
9 A hearing on that motion is presently scheduled for February 9, 2018.

10      4.     While I prepared to sell the Debtor's equipment at auction, I continued to engage in  
11 negotiations with multiple buyers for the Debtor's assets, including the equipment. As a result, I  
12 reached agreements on the form on purchase agreements with two separate buyers for the sale of  
13 certain assets of the Debtor. I have determined that the sale of these assets, with the two buyers  
14 serving as stalking horse bidders, is in the best interests of the estate.

15      5.     I negotiated a Purchase Agreement dated February 8, 2018 (the "Industrial APA")  
16 with Industrial Asset Corp. d/b/a Biditup Auctions Worldwide and Maynards Industries USA, LLC  
17 (collectively, "Industrial Assets"), for the sale of substantially all of the Debtor's machinery and  
18 equipment located at the Debtor's Dayton, Nevada, and Green Bay, Wisconsin, facilities. A copy of  
19 the Industrial APA is attached hereto as Exhibit A, and includes a detailed list of the equipment to be  
20 purchased thereunder. The purchase price under the agreement is \$1,950,000. Industrial Assets has  
21 agreed to provide an earnest money deposit in the amount of \$195,000 (the "Earnest Money"),  
22 which shall be immediately available to the Debtor upon approval by this Court. In addition, the  
23 agreement is subject to entry of an order approving bidding procedures, whereby Industrial Assets is  
24 used as a "stalking horse" bidder.

25      6.     The agreement with Industrial Assets also requires that the Court approve a breakup  
26 fee equal to the sum of \$58,500 (3% of the purchase price to be paid to Industrial Assets) if the

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APPROVING BREAKUP FEE- 2  
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1 Court approves a competing transaction for the Debtor's equipment to be sold under the Industrial  
2 APA. The agreement requires that a qualified bidder entitled to bid on the assets being purchased by  
3 Industrial Assets must provide an earnest money deposit equal to 10% of their bid, and submit a bid  
4 of no less than \$2,033,500 (which is comprised of Industrial Assets' bid amount, plus \$58,500 for a  
5 breakup fee, plus an initial overbid increment of \$25,000).

6       7. Separately, I have entered into a purchase agreement with Medalcraft Mint, Inc.  
7 ("Medalcraft"), for assets not subject to the agreement with Industrial Assets (the "Medalcraft  
8 APA"). The Medalcraft APA, a copy of which is attached hereto as Exhibit B, provides that  
9 Medalcraft will purchase, among other things, the Medallic Art name and website; marketing  
10 materials; archives; customer list, sales history, and vendor list; certain company owned dies  
11 associated with any customer for which there has been a sale in the last 20 years; tools; and  
12 woodworking equipment. The Medalcraft APA also provides that Medalcraft will purchase three  
13 pieces of specifically identified equipment. The Medalcraft APA provides for a purchase price of  
14 \$700,000. Medalcraft is providing a nonrefundable earnest money deposit in the amount of \$100,000  
15 in connection with the sale.

16       8. I intend to move for approval of each of the sales described above, with Industrial  
17 Assets and Medalcraft serving as stalking horse bidders. Should qualified competing bids be  
18 received in advance of the hearing on the Sales Motions, I would intend to hold an auction for the  
19 Debtor's assets for which a competing bid has been received. To that end, I have requested in the  
20 Motion that the Court approve certain bidding procedures in connection with the sales. I believe that  
21 the bid procedures set forth in the Motion are reasonable, and will provide the appropriate  
22 framework for expeditiously receiving the best and highest offer for the estate's assets.

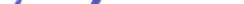
23       9. It is necessary for me to immediately use the Earnest Money in order to pay current  
24 expenses of the estate necessary to my liquidation efforts, including rent obligations owed Robert  
25 and Connie Hoff, the landlord for the Dayton, Nevada facility, rent owed to the Wisconsin landlord,  
26 utilities, compensation for the skeleton staff remaining employed, and other expenses as more fully

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detailed in the cash collateral budget filed with the Court. I therefore request that I be authorized to incur credit in the form of the Earnest Money pending the Court's authorization of the sale to Industrial Assets or such other bidder as may come forward for those assets. Industrial Assets has agreed to my use of the Earnest Money pending the Court's approval of the sale so long as Industrial Assets is afforded a priority administrative expense claim under Section 364(c)(1) for its rights to reimbursement of the Earnest Money in the event that it is not the successful purchaser of the assets described in the Industrial APA. I am unable to obtain credit on any other basis than the advance of the Earnest Money.

10. For all of the foregoing reasons, I believe that the relief I request in connection with the Motion is in the best interests of the estate. I respectfully request that the Court approve the Motion.

I declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge. 

EXECUTED this 8th day of February, at Seattle, Washington

Mark Calvert

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1                   **CERTIFICATE OF SERVICE**  
2  
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4

1                   The undersigned declares as follows:  
2  
3  
4

1                   That she is a Paralegal in the law firm of K&L Gates LLP, and on February 8, 2018, she  
2                   caused the foregoing document to be filed electronically through the CM/ECF system which caused  
3                   Registered Participants to be served by electronic means, as fully reflected on the Notice of  
4                   Electronic Filing.

5                   Also on February 8, 2018, she caused the foregoing document to be deposited in the U.S.  
6                   mail to the Party at the address listed below:  
7  
8

Northwest Territorial Mint LLC  
c/o Ross Hansen, Member  
P.O. Box 2148  
Auburn, WA 98071-2148

9                   I declare under penalty of perjury under the laws of the State of Washington and the United  
10                  States that the foregoing is true and correct.  
11

12                  Executed on the 8th day of February, 2018 at Seattle, Washington.  
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*/s/ Denise A. Lentz*  
Denise A. Lentz

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